



Engineering & Operations Committee

# Authorize new Shop Services Agreement with DWR

Item 7-7

August 15, 2022

## Current Action

### Renewal of DWR Services Agreement

- Authorizes a five-year reimbursable agreement with the California Department of Water Resources to provide services for State Water Project operations and maintenance activities for an amount not to exceed \$3 million per year (\$15 million total)

# Agreement Background



- First agreement established in 1983
- Agreements leverage unique shop capabilities and staff expertise
- Current agreement expires September 30, 2022

# Shop Capabilities

- Machining, fabrication, coating, and valve rehabilitation services for large and unique system components
- Subcontracting and procuring outside services, materials, and equipment such as large-scale water jet cutting, or other specialized services



# La Verne Shops Primary Functions

- 24/7 emergency response
- O & M support
- Rehabilitation and repair projects
- Member agency support
- DWR support



# Examples of Recent DWR Work

- John E. Skinner Delta Fish Protective Facility Wing Gate Refurbishment



# Examples of Recent DWR Work

- Oso – Pump Plant Forebay Stop Log Gate Refurbishment



- California Aqueduct Radial Gate



# New Agreement

- Manufacturing services
- Engineering design, project management, quality assurance, and quality control
- Emergency response assistance
- Subcontracting outside services
- Material procurement
- One-stop shop for planning, fabrication, machining, and coating





# New Agreement Terms and Conditions

- Five-year agreement at \$3M/yr (\$15M total) expiring September 30, 2027
- La Verne Shops can support multiple scopes of work at one facility
- Reimbursable work
  - Direct labor and additives
  - Cost of materials and equipment usage fees
  - Sub-contracts for outside services and materials
  - Administrative overhead



# Benefits of New Agreement

- Maintaining SWP reliability
- Facilitate timely repair and rehabilitation work
- Enhance emergency response capability
- Control SWP costs to Metropolitan through reduction of overall SWP maintenance costs

# Board Options

## Option #1

- Authorize a 5-year reimbursable agreement with DWR to provide services for SWP operations and maintenance activities in an amount not to exceed \$3 million per year (\$15 million total)
- Adopt the CEQA determination

# Board Options

## Option #2

- Do not proceed with the authorization of the agreement at this time

# Staff Recommendation

- Option #1

